

### **FFELP Processing and Closing Dates**

Throughout the last four decades, the Kentucky Higher Education Assistance Authority (KHEAA) has been honored and privileged to work with its school and lender partners in the administration of the Federal Family Education Loan Program (FFELP). By working together, we have improved the lives of countless students by helping them pursue higher education.

The Health Care and Education Affordability Reconciliation Act of 2010 ends FFELP beginning July 1, 2010; and new loans will be made through the Federal Direct Loan Program administered by the U.S. Department of Education. To help ensure a smooth transition and uninterrupted federal loan access to students, KHEAA is providing the following closing dates for its school and lender partners.

- Schools and lenders may continue to process new FFELP loan requests for students as long as the first disbursement is made on or before June 30, 2010, and the loan is fully disbursed by September 30, 2010.
- KHEAA will cease loan guarantees on Friday, June 25, 2010.
- KHEAA will cease Parent and Grad PLUS pre-approvals on Friday, June 25, 2010.

In anticipation of an end to FFELP, KHEAA has been pursuing other opportunities that it hopes will enable the agency to continue providing higher education programs and services to students, families, schools, and lenders. Some of these include origination of supplemental loans for borrowers who need more than federal loans allow; technical services and marketing of software; student loan servicing; and default prevention services. We are also pleased with provisions that will enable nonprofit agencies to continue serving students. The reconciliation bill provides:

- Funding to nonprofit agencies to help retain jobs and continue to provide local service to students and families.
- The opportunity to provide federal loan servicing for at least 100,000 student loan accounts.
- Federally funded College Access Challenge Grants for outreach programs to ensure students and families are aware of higher education opportunities and student financial aid programs.

KHEAA will continue to administer without interruption Kentucky's state student financial aid programs, including the Kentucky Educational Excellence Scholarship (KEES), need-based grants, work-study and savings programs. KHEAA will also continue to provide friendly and knowledgeable customer service for our existing FFELP borrowers. KHEAA's goal has been, and will continue to be, making repayment as simple and convenient as possible.

As KHEAA enters a new era in the administration of student financial aid programs, the agency stands committed to its mission and will continue to use its energy, experience and resources to assist students in pursuit of their educational dreams.